

For Approval May 15, 2019

## **MINUTES**

### **Chapel Hill/Orange County Visitors Bureau Board of Directors Meeting April 17, 2019**

The Chapel Hill/Orange County Visitors Bureau met at  
The AC by Marriott, 214 W. Rosemary Street, Chapel Hill 27516

**Board Members Present:** Kayla Dempsey, Anthony Carey, , Annette Stone, David Brooks, , Andrew Strickland, Tanya Moore, , Lydia Lavelle, Penny Rich, Shannan Campbell, Rachel Schaevitz, Tim Hoke, Mark Bell, Matt Gladdeck

**Not Present:** Jeff Strickler, Rosemary Waldorf, Mark Sherburne, Libby Hough

**Staff attendance:** Laurie Paolicelli, Marlene Barbera, Allison Chambers

**Also present:** Ben Hitchings, Alisha Cordell and Anya Gahn, Town of Chapel Hill Planning Department

#### **Call to Order**

Chair Anthony Carey called the meeting to order at 8:08 am.

Introductions were given by all.

#### **Welcome by Host**

General Manager of the AC by Marriott, Andrew Strickland, shared that more and more people are utilizing Rosemary St. much like they do Franklin St, especially pedestrian traffic. There is now a lot to do and see on Rosemary St. The AC draws people in for their bar, live music and a less hectic atmosphere to watch a game. The hotel has great on-site parking as well as a town garage across the street and a large outdoor space with a fireplace. They serve more social events than meetings and have 123 rooms with most of their F & B is served outside the meeting room. The new Virginia Beach TV ad was discussed and Laurie Paolicelli reported that they must have put at least \$1 million towards that one ad in NC.

#### **Approval of Minutes**

Chair Carey requested a motion to approve the March 20, 2019 minutes. Penny Rich so moved and Andrew Stickland seconded. With all members in favor, the minutes were approved as submitted.

#### **Finance Report**

Penny Rich reported that as we approach the end of the current fiscal year the Bureau has expended its funds as set forth in the budget process and supported both print and digital advertising as our largest expenditure. We have just completed the contract process with ad agency Clean Design and are under contract with them through June 30 of 2022 with each years expenditures totaling approximately one-third of the bureau's budget. We continue to support special events like TerraVITA and the CARS Tour to bring in visitors. Commissioner Rich stated that the BOCC has agreed that all lodging other than hotels in the county will now be called "short term rentals". Chair Carey expressed the concerns that he and his fellow hoteliers have about the growth of short term rentals in the Orange County market and that a committee, separate from the Visitors Bureau, has been formed to address its future impact on visitor safety, affordable housing and a level playing field for all.

## Guest Presentation

Ben Hitchings of the Town of Chapel Hill Planning Department spoke to the board about short term rentals in the town. According to the most recent planning ordinance there are three ways short term rentals are allowed within the town limits of Chapel Hill:

1. Home occupation or home business, similar to having a hair salon or personal office in your home. This is limited by its occupying up to 35% percent of the square footage or 700 square feet, whichever is less with no more than one none family member employee. This allowance is in almost every zone in Chapel Hill, including residential areas. The owner must live in the residence. The home owner is required to get a permit for this to insure the ordinance is being followed.
2. The second way is called a Tourist Home. This is a business with three to nine units not in residential districts and not owner occupied. Allowed in commercial, office and institutional districts. This is for visits of seven days or fewer. An example would be an inn.
3. There are special standards in the Blue Hill district which is 160 acres around Eastgate Shopping Center. And falls under the town's "Form Based Code." This district allows for short term lodging of up to 30 days.

Mr. Hitching showed the board a map via power point of all the tourist homes in Chapel Hill. The above is the current framework that exists in Chapel Hill for short-term rental. Ms. Paolicelli reported that about half of the short-term rentals in Chapel Hill are whole home rentals. The town is focusing on education as they feel residents are not familiar with what the rules are. They are also doing research to surmise what others communities are doing as well as utilizing expertise through the UNC School of Government. They are aware that this is a significant economic concern for both the hotels and local residents. Chair Carey reported that the hoteliers concern is the whole home rental with no owner in the home. This brings up concerns around safety and affordable housing and that the capacity in Chapel Hill for these rentals is equivalent to a 300 room hotel operating a full capacity.

Laurie Paolicelli shared part of a report from the revenue manager the bureau works with: *Short-term rentals grew significantly in March to reach their first \$1 million month and this is noteworthy as it is nearly double the amount of March 2018. Year to date Airdna is reporting \$2.4 million in revenue which is 60% growth over last year.* This all begs the question; do we invite the proprietors of the short-term rentals in and talk about safety and share visitor information with them to share with their guests? Shannan Campbell reported that when residents of Hillsborough come to the town for a permit they talk to them about the rule and they also alert the fire marshal who can in turn visit the home and talk to the owner about safety. She also sends the properties visitor information. The Durham Visitors Bureau held an open house for people in that city who have a short-term rental and sixty guests showed up, they felt this was a success since the bureau did it and not town hall. Chair Carey shared that the hoteliers are not interested in shutting down the business of short-term rental, but rather that they are subject to the same rules as the hotels. Ms. Paolicelli reminded the board that the Visitors Bureau represents neither the hotels nor the short-term rentals, but is tasked with bringing visitors into the county.

## Executive Directors Report

Laurie Paolicelli thanked board members who attended the presentation by our ad agency, Clean Design, and completed the survey that followed. It is time to refresh our logo. The survey showed little need for putting Orange County on the logo and overwhelming support for the "just do you" campaign. The survey also suggested incorporating the other promotion "find your space" into the creative. It was also suggested that more money be put into meeting recruitment

and updating the website. Clean Design will return to present at our May board meeting. The bureau sponsored a race at the Orange County Speedway in northern Orange County the weekend of April 13-14 that was very successful. We will sponsor TerraVITA again this year. The number of visits to the visitor's center continues to drop and she is in conversations with the BOCC about making some changes which may include relocation of the current visitor's center. The new UNC Visitors Center will open in December but they are limited by the Umstead Act as it pertains to directing visitors to particular businesses in Chapel Hill and Carrboro.

### **Sales Report**

Marlene has recently traveled to Charlotte for their equivalent of our Prime Time Business Expo. In January she hosted a familiarization tour with four planners attending and has some individual planners scheduled to come in the next month. She traveled to the Rendezvous South small meeting market planner show and had seventeen appointments with meeting planners. A March Madness meeting planner event was held at the Carolina Club March 14 for local hotels to present themselves to UNC meeting planners. Ninety meeting planners attended.

### **New Business/Roundtable**

Chair Carey acknowledged all for updates in their respective fields:

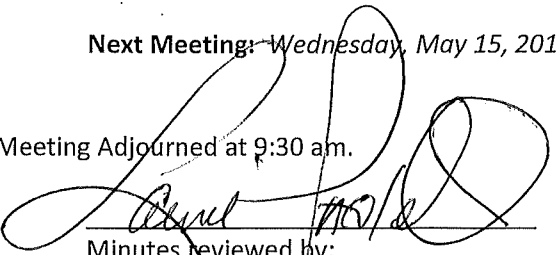
- Annette Stone shared that Carrboro is putting together a month's worth of activities to celebrate pride month. Carrboro's TDA board reported to the Alderman and the subject of tours was raised. Carrboro would like to know if all the groups in Orange County would come together to produce an app with tours all over the county tailored to different interests. L. Paolicelli said tours need to be a priority in the southern part of the county and that northern orange/ Hillsborough already do it well.
- Rachel Schaevitz reported that the Chapel Hill Town Council voted to approve new sidewalk dining rules which will open additional dining opportunities all over Chapel Hill. Ground breaking has taken place at the new UNC Healthcare facility at Eastowne at the gateway to Chapel Hill. On May 27 the town will host the Northside Neighborhood Festival and April 28<sup>th</sup> they will host the Near and Far Festival. Matt Gladdeck added that Food Fest would be held on May 18.
- Matt Gladdeck reminded the board that the Downtown Partnership will hold their annual meeting at the Carolina Inn on April 26. Proceeds from the sale of tickets will go towards supporting public art. They will have a panel discussion to start formulating the Partnerships vision.
- Tanya Moore reported that the UNC Visitors Center will soon move to its temporary space at Hill Hall as the Morehead Planetarium is beginning their renovations. The university has hired Kristen Smith Young as their new Director of Communications and she will begin her work on April 22. The longtime UNC Chief of Police will retire in June so a search will be launched for his replacement.
- Mark Bell shared that Hillsborough has several events coming up this spring including the Heart Walk, Last Sundays at Moorefields, Burwell School Spring Gala and Auction as well as the Annual Garden Tour. On May 18 they will hold a Margaret Lane Cemetery Day of Remembrance; this event is a collaboration of several Orange County organizations. The town has recently stamped their crosswalks which they feel is a huge improvement. The Orange County Board of County Commissioners recently earmarks money to build a stage in River Park and that proposal will soon go to the Hillsborough Historical Commission for approval. Shannan Campbell added that the Hillsborough Visitors Center is ramping up on their spring tours. A new taco restaurant is opening in

downtown and LaPlace is currently closed for renovation and will reopen as James Pharmacy which will be a seafood restaurant.

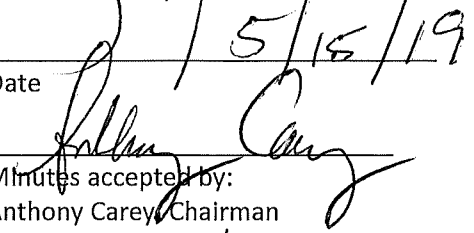
- David Brooks reported the Central Carolina Women in Business, which is a sub-group of the Hillsborough Chamber, is holding a wee-pitch contest. Ladies Night Out will be held on May 2 with some events being held during the day.
- Tim Hoke reported that two students from Orange County have won first and third prizes the 4<sup>th</sup> Congressional District Arts Award. The Orange County Arts Commission is heavily involved in making grant awards at this time.
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**Next Meeting:** *Wednesday, May 15, 2019 at the Rizzo Center in Chapel Hill.*

Meeting Adjourned at 9:30 am.

  
Minutes reviewed by:  
Laurie Paolucci, Executive Director

Date

  
Minutes accepted by:  
Anthony Carey, Chairman

Date